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DMS Information Memo 2021-02

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To: County Departments of Human Services
County Departments of Social Services Directors
County 51 Directors
County Fiscal Contacts
Human Service Area Coordinators
Area Administrators
Community Integration Specialists

From: Krista Willing, Assistant Administrator, ~~Division of Medicaid Services~~ for Systems, Fiscal, and Operations

Family Long-Term Care Fiscal Update

Purpose

The purpose of this memo is to inform counties about payment options and the collection process for paying their long-term care county contribution to the Division of Medicaid Services within the Wisconsin Department of Health of Services (DHS). Beginning in 2023, DHS will implement a standardized invoice date of March 31 for all counties.

Payment Options

Per Wisconsin Statute s. 46.281(4), counties have two available options for paying their long-term care county contribution to DHS:

1. Through a reduction to their Basic County Allocation (BCA) via the State-County contract
2. Through a direct payment (payment with a check) to DHS

Collection

Counties that do not opt for the BCA option will receive an invoice for their annual county contribution by March 31 every year. ~~may pay their county contribution in one of the following manners:~~

- ~~• Make a lump sum annual payment of the required county contribution by the anniversary of the initial start date of managed long-term care~~
- ~~• Make quarterly or biannual payments of the required county contribution with the total annualized amount made by the county's anniversary date~~

Historical Context

Long-term care county contribution amounts payments are required per Wisconsin Statute s. 46.281(4), as amended by 2007 Wisconsin Act 20. DHS implemented these the payment options and the collection process following the transition from previous legacy adult long-term care programs to Family Care in

each county. Since 2007 Act 20 was passed, DHS generated invoices across all 12 months of the year, with invoices aligned to the month each county transitioned to Family Care.

~~The county contribution amount previously included a five-year transitional period, and following the fifth year, all county contributions were frozen at the amount contributed on the fifth year. Starting in calendar year 2022, all counties will have completed their five-year transitional period, so the county contribution amount will be frozen at the fifth year contribution amount.~~

~~The transition and final/annual contribution amounts for each county can be found in Attachment A.~~

The county contribution payments previously included a five-year transitional period, during which county contributions changed incrementally to reach the statutory amount, but once the fifth year was reached, the contribution payments were locked in. For many years, almost all counties have made payments at the locked in amount. In calendar year (CY) 2023, all counties will have completed their five-year transitional period. To simplify and streamline invoicing and payment processing, DHS will implement a standardized service year from April 1 to March 31 for all counties. The new service year is tied to the March 31 invoice date for all counties going forward and will require a one-time true-up adjustment to reset the amounts owed.

The CY 2023 invoice will be prorated, taking into account each county's annual contribution payments less any amounts already paid for the April 1, 2022, to March 31, 2023, service year. The amount owed in 2023 relative to their annual contribution payments will vary, depending on when each county transitioned into Family Care. The full list of amounts owed in March of 2023 can be found in [Attachment A](#).

The CY 2024 invoices will reflect each county's fixed annual contribution payments. The full list of amounts owed for CY 2024 (and all amounts owed annually in perpetuity) can be found in [Attachment B](#).

Please email questions to our inbox at DHSDMSBFAMLGDSFamilyCare@dhs.wisconsin.gov.